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HOUSE BILL 3017 By
Kisber

SENATE BILL 2987
By Cooper J

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29, Part 2 and Title 68, Chapter 11, Part 1, relative to health planning and resource development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-29-222(a), is amended by deleting item (20) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 4-29-224(a), is amended by adding the following language as a new, appropriately numbered item:

() Interim health facilities commission, created by Section 68-11-104;

SECTION 3. Tennessee Code Annotated, Section 68-11-104, is amended by deleting the section in its entirety and by substituting instead the following:

§ 68-11-104.

(a) There is hereby created an interim health facilities commission which has jurisdiction and powers relating to the certification of need and related reporting of all health care institutions, as defined by and subject to this chapter. All references in law and rule to the health facilities commission shall be deemed

to constitute references to the interim health facilities commission created by this section.

(b) The interim health facilities commission shall consist of five (5) members as follows:

(1) The commissioner of health or, alternatively, a departmental employee designated by the commissioner;

(2) The commissioner of mental health and developmental disabilities or, alternatively, a departmental employee designated by the commissioner;

(3) The comptroller of the treasury or, alternatively, a departmental employee designated by the comptroller;

(4) The commissioner of finance and administration or, alternatively, a departmental employee designated by the commissioner; and

(5) The state treasurer or, alternatively, a departmental employee designated by the treasurer.

(c) The commissioner of health or the commissioner's designee shall serve as chair of the interim commission. The commission, at its first meeting and annually thereafter, shall elect from its membership a vice chair and such other officers as it may deem necessary. Meetings of the commission shall be held as frequently as its duties may require. Four (4) members shall constitute a quorum. No action of the commission shall be effective unless such action is concurred in by a majority of its members present and voting. In the event of a tie vote, the action shall be considered disapproved. The commission shall record by name the votes taken on all actions of the commission.

SECTION 3.

(a) There is hereby created a study group to examine the structure, responsibilities and performance of the health facilities commission, as such structure, responsibilities and performance existed prior to the effective date of this act. The review shall include, but not be limited to, the following:

- (1) The composition and appointment process of commission members;
- (2) The effectiveness of the commission in guiding the state health plan;
- (3) The authority and responsibility of the commission, the department of health and the department of mental health and developmental disabilities pertaining to applications for certificates of need;
- (4) The role of the commission in relation to taxpayer-financed health care programs;
- (5) The role of the commission in establishing and overseeing the state health plan; and
- (6) The impact of the commission policies and activities upon health care availability and costs in Tennessee.

The study group shall also examine the relevant experiences of other states and shall determine the desirability and feasibility of abolishing the certificate of need process and reverting to a free-market system.

(b) The study group shall be composed of four (4) individuals selected by the governor, two (2) individuals selected by the speaker of the senate and two (2) individuals selected by the speaker of the house.

(c) It is the intent that the findings and recommendations of the review, provided for in this section, shall be completed by January 30, 2003 and shall become the basis for legislation strengthening Tennessee's health care infrastructure and promoting efficiencies.

(d) The office of the comptroller of the treasury, the department of health, the department of mental health and developmental disabilities and the department of finance and administration shall provide such staff resources to the study group as may be requested.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.